

When should a church call its insurance agent?

By Laura J. Brown

Every year you add it to your New Year's resolutions, right behind "lose weight" and "get organized:" "Call the church's insurance agent." Yeah, right. Calling your agent may fall to the bottom of an administrator's "to-do" list but you could benefit by viewing your agent as a ministry partner. Agents can help you spot risks, alert you to government regulations, and advise how to proceed in claim situations. They can even save you money.

Ryan Brennan, assistant business administrator for Timberline Church in Fort Collins, CO, considers agent Ken Borrett a ministry partner. Timberline is a thriving church of about 6,000 that's always launching new ministries. Brennan calls Borrett & Son Insurance at least once a month.

"Ken understands the uniqueness of our ministry. That's very rare in an insurance agent and an insurance company," Brennan says. Last summer Brennan called Borrett to ask about the risks involved in starting a lay counseling ministry. Borrett explained the issues and encouraged the church to set up a procedure for screening lay counselors.

Don't wait until arbitration

One Arizona church didn't call its insurance agent until the pastor was at the arbitration table negotiating how much to pay an angry former employee. Dave McElhaney, the American Church Group agent who took the call, couldn't believe his ears. The church's human resources director wanted to know how much the insurance company would pay. That was his first notice that the church might have a claim to file.

McElhaney had bad news. Although the church carried employment practices liability insurance it had failed to notify its insurer of a potential claim. This barred the insurance company from investigating the claim's validity. By negotiating a settlement on its own the church voided its insurance contract and forfeited its right to coverage.

"It was really sad because they had at least a half million dollars worth of coverage in the policy," McElhaney says. McElhaney offers this advice to church leaders: "When in doubt, call. The agent may not be able to tell you if something is covered or not but he can at least recommend a course of action."

So, when should you call an agent? Here are some general guidelines.

1. Before starting something new. New ministries, construction projects and other opportunities involve a degree of risk. Your agent can share other churches' experience and recommend the proper type of insurance for you. Here are some initiatives that might warrant a call to your agent before you begin:

- Daycare ministry, school, or preschool
- Skateboard or BMX park
- Ropes course
- Construction
- Demolition
- Public music concert or carnival
- Vacation Bible school
- Mission trip

2. Before negotiating a settlement. Your agent can help you determine the best course of action to pursue if someone makes a claim against your church — before you reach the negotiation table. This could happen in a number of ways. For example, an employee might allege job discrimination, or people might claim that you violated their privacy rights by placing them on a prayer list without their permission.

3. After an accident or injury. Sometimes, it's unclear when an accident or injury warrants filing an insurance claim. Should you be concerned that two people slipped on icy sidewalks last week or that a preschooler got poked in the eye with safety scissors? Your agent can help you determine whether to file an insurance claim and offer suggestions for follow-up.

4. After an allegation of sexual misconduct. While you're still reeling from the news that someone in your ministry has been accused of sexual misconduct, pick up the phone and dial your church's attorney immediately. Don't wait to sift through the facts and determine if the allegation is true. Call your agent.

5. Anytime you just need advice. Many insurance agents who work with churches are ministry insurance specialists. They can tell you what other churches are doing and offer tips on how to make your building or activities safer.

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